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SUBJECT: MEDIA REACTION IRAN MERCOSUR LATIN AMERICAN  
CHAIR AT THE UN SECURITY COUNCIL 05/09/06;BUENOS AIRES

#### 1. SUMMARY STATEMENT

Today's local papers lead with Iran attempting to approach the US; China warning about triggering a war like that of Iraq; the implications of Bolivia's nationalization of the energy sector; the crisis of Mercosur; and the Latin American chair at the UN Security Council.

#### 2. OPINION PIECES AND KEY STORIES

- "Iran attempts an approach to the US"

Daily-of-record "La Nacion" reports (05/09) "Iranian President Mahmoud Ahmadinejad wrote a letter to his US counterpart, George W. Bush, in which he proposed 'new ways' to solve the mounting tension between the two countries. This is an unprecedented gesture in almost 30 years that coincides with the strong international pressure for Tehran to stop its nuclear activities.

"The letter... represents an amazing change in the Islamic regime's strategy after months of harsh spats between Ahmadinejad and Washington or its allies. Iranian government officials even spoke of a 'new diplomatic opening' between the two countries.

"However, the White House downplayed the letter and interpreted Ahmadinejad's gesture as a strategy intended to influence negotiations at the UN Security Council now that Washington is promoting a tough resolution against Tehran, which will allow for the implementation of economic sanctions and even the use of force."

- "China warns of the danger of a war like that in Iraq"

Alberto Armendariz, New York-based correspondent for daily-of-record "La Nacion," comments (05/09) "Amid tense meetings at the UN Security Council, China warned yesterday that a new resolution condemning Iran could lead to a war, like that in Iraq, and urged European countries to refrain from threatening Tehran with sanctions or a military action if it does not suspend its nuclear program.

"... Beijing's position is supported by Russia, which believes that the level of pressure is unacceptable and it could lead not only to mounting tension but also to a crisis that could affect oil international prices."

- "Bolivian history on repeat"

James Scott, contributor to the Buenos Aires Herald, writes (05/09) "If Bolivia's decision to nationalize the energy sector last week... sounds familiar, it is because it is not the first time the country has done it."

"Bolivia seized Standard Oil's assets in 1937... and three decades later Bolivia did the same with Gulf Oil. In both cases, the effects proved disappointing at best and eventually the market reopened to private sector investment."

"... History, as they say, is doomed to repeat itself. And experts point out that Bolivia appears to be the next stage where this potential economic Waterloo will play out."

"While nationalizing the energy sector may produce a short term financial shot in the arm for the Andean nation of about nine million, the move is likely to throw the brakes on most future investments."

- "Left wing vs. left wing, a confrontation dividing the region"

Andres Oppenheimer, columnist of daily-of-record "La Nacion," writes (05/09) "Contrarily to the well-spread belief that there is a leftist tsunami in Latin America against Washington and free market, what we witness in the region is a very different kind of confrontation - the left wing vs. the left wing."

"... The most ironic thing of Chavez's diatribes against Peru, Colombia and other countries of the region for having signed FTAs with the 'empire' is that Venezuela itself is increasing its trade with the US to unprecedented numbers."

- "The embarrassment diplomacy"

Leading "Clarín" carries an op-ed piece by Juan Gabriel Tokatlian, professor of international relations at Universidad de San Andres, who writes (05/09) "The ghost of a new Latin American political embarrassment is looming at the UN corridors."

"The dispute between Guatemala and Venezuela for a rotary chair at the UN Security Council in 2007 could spark one of the most lamentable experiences in Latin American diplomatic history at the UN."

"... In 1979, Colombia's candidacy was boosted by the US in order to hinder Cuba's obtaining a chair at the UN Security Council. Colombia, a strong ally of Washington during the Turbay Ayala administration, agreed to obstruct Cuba's aspirations."

"... Now that President Hugo Chavez is attempting to project his 'Bolivarian' leadership in Latin America and use the leverage given to him by oil prices in order to increase his influence in world politics, obtaining chair at the UN Security Council could provide Venezuela with a visible place to criticize and denounce the US."

"Now Washington, which has recreated a sort of renewed ideological Cold War in its ties with Caracas, is against Venezuela's aspiration to get a chair at the UN Security Council and the Bush administration itself has deployed an active diplomacy in this regard."

"In this framework, the (so-called) Group of Latin American and Caribbean Countries seems paralyzed. In a sort of mounting tension story, the region is again letting the US dictate its regional representation"

policy at the UN Security Council.

"Regardless of the US purposes and interests in this issue, it is fundamental to avoid the lamentable episode of 1979."

### 13. EDITORIALS

- "Mercosur is at a crossroads"

Daily-of-record "La Nacion" editorializes (05/09) "The conflict between Argentina and Uruguay due to the establishment of two paper mills in Fray Bentos has revealed the depth of the crisis Mercosur is going through. Weakened by the gradual imposition of trade barriers among its members instead their removal, Mercosur has entered a phase of uncertainty.

"... The fact that Uruguay has started to hold discussions with the US to reach an FTA is another conclusive sign of the difficulties Mercosur is going through. Uruguay currently exports more products to the US than to Argentina and Brazil, and it is attempting to adopt a new model of development model aimed at achieving sustainable growth and honor its public debt commitments.

"... A hypothetical departure of Uruguay from Mercosur would not damage the bloc economically but from a political point of view."

- "Shock in the Southern Cone"

An editorial in conservative "La Prensa" reads (05/09) "The South American panorama is disturbing due to a number of conflicts that have added themselves in the region, which weaken its possibilities of development. The Bolivian president's announced nationalization of hydrocarbons was the climax of a conflictive regional horizon...

"The strong influence of the Venezuelan government in regional issues has unleashed a serious crisis in Mercosur and the Andean Community (of Nations)...

"Brazil has even stated its concern about an eventual 'cold war' promoted by Caracas in South America."

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